

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Airport

AGENDA DATE: December 1, 2009

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña A.A.E.
Director of Aviation
780-4793

DISTRICT(S) AFFECTED: 3

SUBJECT:

Approve a Resolution authorizing the City Manager to sign the First Amendment to Industrial Site Lease agreement, between the CITY OF EL PASO ("Lessor") and EPII Group, LLC. ("Lessee")

BACKGROUND / DISCUSSION:

The City and EPII Group LLC., entered into an Industrial Site Lease on June 1, 2009 for the westerly portion, of a strip of land along International Drive. At the time the lease was executed, a pending lease on the easterly portion was in process, and the easterly portion of the strip could not be leased to EPII Group. However EPII Group was interested in leasing the easterly portion if the pending lease did not materialize.

To EPII Groups benefit, the pending lease did not materialize, and the easterly portion of the International Drive strip of land was offered to EPII Group under the same terms and conditions of the existing lease. The 1st Amendment to the lease adds the remaining portion of the International drive strip under the same terms and conditions of the existing lease.

1st Amendment addition to the existing lease:

Area: 22,390 Sq Ft (Easterly Portion)
Rate: \$0.18 per Sq Ft (\$4,030.20 per annum)
Term: 20-Years
Options: 4, five year options to extend the lease

This Amendment benefits the City as an infill project, and the Airport as a revenue generating lease.

PRIOR COUNCIL ACTION:

City Council has previously approved the Lease on the existing property.

AMOUNT AND SOURCE OF FUNDING:

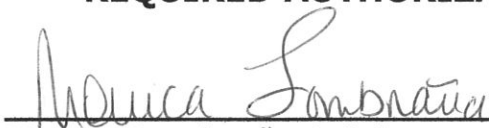
N/A This is a revenue generation lease.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:


Monica Lombraña A.A.E.

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign the First Amendment to the Industrial Site Lease by and between the City of El Paso (Lessor) and EPII Group, LLC (Lessee) adding an additional 22,390 square feet of land to the Leased Premises being a portion of Lot 19, Block 1, International Industrial Center, Unit 1 Replat, El Paso, El Paso County, Texas.

ADOPTED this _____ day of _____ 2009.

THE CITY OF EL PASO

ATTEST:

John F. Cook
Mayor

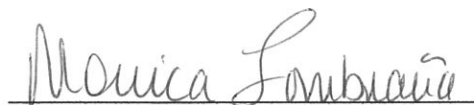
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Theresa Cullen
Assistant City Attorney

APPROVED AS TO CONENT:



Monica Lombraña, A.A.E.
Director of Aviation

STATE OF TEXAS)
)
COUNTY OF EL PASO)

**FIRST AMENDMENT TO
INDUSTRIAL SITE LEASE**

This First Amendment to the Industrial Site Lease ("First Amendment") is made by and between the City of El Paso ("Lessor") and EPII Group, LLC ("Lessee") on this 1st day of December, 2009.

WHEREAS, Lessor and Lessee entered into an Industrial Site Lease ("Lease") with an effective date of June 1, 2009 granting Lessee the right to operate and maintain certain operations on the following described property:

A 77,309 square foot parcel of land, more or less, being a portion of Lot 19, Block 1, International Industrial Center, Unit 1 Replat, El Paso, El Paso County, Texas (the "Premises"); and

WHEREAS, Lessor and Lessee now desire to amend the Lease to add an additional 22,390 square feet of land to the Premises.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **ADDITIONAL LEASED PREMISES.** Lessor and Lessee mutually agree that Article I, Section 1.01. "Description of Premises Demised" is revised to read as follows:

1.01 Description of Leased Premises. Subject to and on the terms, conditions, covenants, agreements and undertakings hereinafter set forth, Lessor does hereby demise and lease to Lessee and Lessee does hereby lease from Lessor the following described real property located in El Paso County, Texas:

A portion of Lot 19, Block 1, International Industrial Center, Unit 1 Replat, El Paso, El Paso County, Texas, containing approximately 99,699 square feet (2.289 acres) of land, more or less, and more fully described as Parcel 1 and Parcel 2 in **EXHIBIT "A"** attached hereto and incorporated herein by reference (the "Premises").

2. **GROUND RENT.** Lessor and Lessee agree that Article V, Section 5.01 "Ground Rent" is revised to read as follows:

5.01 Ground Rent. For the purpose of computing rental payments due, Lessor and Lessee agree that the Premises comprise 99,699 square feet of land. The annual Ground Rent for the Premises will be calculated on the basis of \$0.18 per square foot

per annum for the land. Therefore, the annual Ground Rent for the Initial Term shall be \$17,945.82, or \$1,495.49 per month.

3. **COMMENCEMENT OF GROUND RENT.** Lessor and Lessee agree that Article V, Section 5.02 "Commencement of Ground Rent" is revised to read as follows:

5.02 Commencement of Ground Rent. Payment of Ground Rent by Lessee to Lessor as aforesaid shall commence on the Effective Date of this First Amendment.

4. **RATIFICATION.** Except as herein amended, all other terms and conditions of the Lease, not specifically changed by this First Amendment, shall remain unchanged and in full force and effect. In particular, Lessor and Lessee agree for purposes of Article V, Section 5.03, Readjustment of Ground Rent, the July 1, 2009 effective date of the Lease is the identified date for any readjustment of the ground rent for Parcel 1 and Parcel 2 of Exhibit "A".

5. **EFFECTIVE DATE.** Regardless of the date of execution, this First Amendment shall be effective on December 1, 2009.

IN WITNESS WHEREOF, this First Amendment was approved on the date first noted above.

CITY OF EL PASO

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:

Monica Lombraña, A.A.E.
Director of Aviation

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____ 2009, by **Joyce A. Wilson** as **City Manager** of the **City of El Paso** (Lessor).

Notary Public, State of Texas

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

LESSEE: **EPII GROUP, LLC,**
A general partnership

By: _____
Name: Don Luciano
Title: Gen Partner

ACKNOWLEDGMENT

STATE OF TEXAS)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 20TH day of NOVEMBER 2009, by
DON LUCIANO as GENERAL PARTNER of **EPII Group, LLC** (Lessee).

Notary Public, State of TEXAS

My Commission Expires:
MARCH 2, 2011

